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FISCAL IMPACT STATEMENT

LS 6336

BILL NUMBER: HB 1056

NOTE PREPARED: Jan 17, 2015

BILL AMENDED: Jan 15, 2015

SUBJECT: Student Transfers.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a student may transfer to a school corporation if the student's parent is an employee of the school corporation and the school corporation has the capacity to accept the student.

The bill provides that an elementary school student who attended an accredited nonpublic elementary school in the attendance area of a school corporation in which the student does not have legal settlement may attend a high school in the school corporation if the school corporation: (1) has the capacity to accept the student and the majority of the students in the same grade as the transferring student at the accredited nonpublic school have legal settlement in the transferee school corporation; (2) has only one high school; and (3) does not have a policy to accept transfer students.

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) The impact on the state would depend on the state tuition support of the student's resident school corporation and the tuition support of the school where the student would attend. For FY 2015, state tuition support for regular programs varied between \$4,813 and \$7,527 per student with the median being \$5,726. There were about 265 school corporations that accepted about 34,931 cash transfer students.

The impact is probably minor. As an example, if 100 students were eligible to transfer, the maximum impact would be either an additional expense or savings of \$271,400.

Explanation of State Revenues:

Explanation of Local Expenditures: Since schools would only be required to accept the students if they have capacity to accept the student, the impact would probably be minor.

Explanation of Local Revenues: The bill could increase revenue to some local school corporations and decrease revenue to other school corporations assuming that the student would have attended a public school.

The school could charge the parent transfer tuition if the cost of educating the student was greater than the state revenue the school corporation receives for the student.

Additional Information: When a student transfers between schools, the receiving school corporation is entitled to receive transfer tuition from the student's home school corporation or the student's parent. Transfer tuition is the difference in the average cost of education for the student minus the state revenue the school receives for the student. If the receiving school corporation and home school corporation both agree to the transfer, then the home school corporation is responsible for paying the transfer tuition costs, otherwise the parent of the student is responsible for the transfer tuition costs.

When the state eliminated General Fund property taxes in CY 2009, the cost of cash transfers decreased from thousands of dollars to hundreds of dollars per student. Some schools choose not to charge the parent transfer tuition since the amount to be collected may be small.

There were about 265 school corporations that accepted about 34,931 cash transfer students for the 2014-15 school year.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local school corporations.

Information Sources: Department of Education databases.

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